

House Bill 253

By: Representatives Carter of the 159<sup>th</sup> and England of the 108<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

To amend Part 3 of Article 8 of Chapter 41 of Title 44 of the Official Code of Georgia Annotated, relating to mechanics and materialmen, so as to provide that a contractor shall sign an affidavit at the signing of a contract for work verifying that he or she has paid certain persons; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Part 3 of Article 8 of Chapter 41 of Title 43 of the Official Code of Georgia Annotated, relating to mechanics and materialmen, is amended by adding a new Code section to read as follows:

"43-41-18.

(a) All contractors shall, upon the receipt of payment for work in excess of \$5,000.00 on any real estate, provide the person paying for such work a signed sworn affidavit stating that all subcontractors, all materialmen furnishing material to subcontractors, and all laborers furnishing labor to subcontractors, materialmen, and persons furnishing material for the work done on the real estate have been paid for their services or have agreed to waive such payment.

(b) A sworn affidavit pursuant to subsection (a) of this Code section, shall serve as an absolute defense to any lien filed pursuant to Code Section 44-14-361 and shall as a result dissolve any such lien as a matter of law.

(c) Upon a contractor's first violation of subsection (a) of this Code section, he or she shall be subject to a civil penalty not less than \$10,000.00 to be paid to the board for transmission to the Department of Revenue for deposit into the general fund. A contractor's second violation of subsection (a) of this Code section shall result in an immediate suspension of his or her contractor's license for a period not less than six months. A contractor's third violation of subsection (a) of this Code section shall result in the revocation of his or her contractor's license."

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**SECTION 2.**

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All laws and parts of laws in conflict with this Act are repealed.